

FISCAL NOTE

Bill #: HB0666

Title: Increase wholesale energy transmission tax

Primary Sponsor: Dave Gallik

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

FY 2004 Difference

FY 2005 Difference

Revenue:

General Fund

\$11,897,714

\$12,105,716

Net Impact on General Fund Balance:

\$11,897,714

12,105,716

- | | |
|---|---|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. This proposal raises the wholesale energy transaction (WET) tax from the current \$0.015 per kilowatt hour (Kwh) to \$0.067 per Kwh, an increase of 346.67% ($.067 - .015 = .052$; $.015 = 3.4667$ or 346.67%).
2. Based on HJ2 revenue estimate, the general fund is expected to receive \$3,432,000 in FY04 and \$3,492,000 in FY05.
3. Under the proposal, an additional \$11,897,714 in WET tax revenue will be generated for the state general fund. ($\$3,432,000 \times 3.4667 = \$11,897,714$) in FY04. In FY05, an additional \$12,105,716 ($\$3,492,000 \times 3.4667 = \$12,105,716$) in tax revenue will be generated for the general fund.
4. The bill is effective on July 1, 2003 and applies to FY2004 and FY2005 and future fiscal years.
5. There is no administrative impact to the department.

LONG-RANGE IMPACTS:

Depending on the continued production of more than 22 million kilowatt hours of electricity, the general fund can expect to see an increase of revenue of between \$11.8 million and \$12.1 million each year after the 2005 biennium.